

SENATE BILL 3145
By Southerland

AN ACT to amend Tennessee Code Annotated, Section 56-3-115, relative to accounting for certain insurance company transactions with a federal home loan bank.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-3-115, is amended by deleting the section in its entirety and by substituting instead the following:

Notwithstanding the provisions of §56-1-405, where bonds or other evidences of debt having a fixed term and rate of interest, or shares of capital stock of a federal home loan bank, owned by a domestic insurance company are held by or on behalf of another person in connection with a reinsurance liability of, or an indebtedness incurred to a federal home loan bank by, such domestic insurance company, the amount allowed as a credit against such liability or indebtedness shall be determined in the manner provided for in §56-3-113 or §56-3-303(a)(4), as applicable, and the commissioner may allow the excess, if any, of the amount of such bonds or other evidences of debt or shares of capital stock over the amount of such liability or indebtedness to constitute an admissible asset of such domestic insurance company, but only if and to the extent that such bonds or other evidences of debt or shares of capital stock would constitute admissible assets except for being so held in connection with a reinsurance liability or indebtedness to a federal home loan bank; provided, that the total amount of such excess that a domestic insurance company may take into account as an admissible asset shall not exceed thirty percent (30%) of such company's capital and surplus as determined on December 31 of the year preceding the date of such determination.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.